



Cleveland District Office News

Information for the Small Business Community

May 2007

U.S. Small Business Administration
Cleveland District Office

1350 Euclid Avenue, Suite 211
Cleveland, Ohio 44115-1815

Phone: 216-522-4180
Fax: 216-522-2038

May 2007 Newsletter
In this issue:

Loan Report Page 1

SBA Honors Nine for Contributions to
Small Business Page 2

News for Our Lending Partners Page 3

SBA's "E-Tran" and the Need for Correct
Loan Information from Lenders Page 3

Top Export Lenders Recognized Page 4

SBA Launches Free Online Course &
Assessment Page 4

For More Information
SBA Home Page: www.sba.gov

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.
- For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:
1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
- Your rights to regulatory fairness:
1-800-REG-FAIR

All of the SBA's programs and services are provided to the

public on a non-discriminatory basis.



SEVEN MONTH LOAN REPORT *as of April*



Total Loan Volume – APRIL 2007 (7(a) and 504 Combined)

Bank	Number of Loans	Dollars (In Thousands)
National City Bank	202	\$23,693
Charter One Bank	152	\$6,767
Huntington National Bank	123	\$11,499
JP Morgan Chase Bank	109	\$8,856
U.S. Bank	91	\$6,203

504 Loans

Bank	Number of 504s
National City Bank	14
FirstMerit Bank	9
Key Bank	9
Huntington National Bank	7
JP Morgan Chase Bank	7
Sky Bank	7

CDC	Number of Approvals	Dollars (In Thousands)
Growth Capital Corp.	33	\$13,925
Cascade Capital Corp.	15	\$9,971
MVEDC	8	\$3,337
Stark Dev Board Finance Corp.	7	\$1,754
Community Capital Dev Corp.	4	\$4,181
Lake County SBAC	4	\$1,547
Northwest Ohio Dev Ass't	4	\$1,360
MEACO	2	\$575
Ohio Statewide	1	\$95
West Central Partnership	1	\$1,768

SBA Honors Nine for their Contributions to Small Business

Gary W. Gibb, President and CEO of Wrayco Industries, Inc. of Stow, Ohio, has been named Ohio's 2007 Small Business Person of the Year by the U. S. Small Business Administration (SBA). "Mr. Gibb and his Wrayco Industries is a thriving American manufacturer in an era where global economic pressures have caused many of its counterparts to outsource to foreign markets," said Gil Goldberg, District Director of SBA's Cleveland District Office. "It is with great pride that we offer our congratulations to Mr. Gibb on this well-deserved honor." Mr. Goldberg noted that nominees for this award are judged on seven criteria: staying power; growth in number of employees; increase in sales and/or unit volume; strong current and past financial reports; innovativeness of product or service offered; response to adversity; and contributions by nominee to aid community-oriented projects.

Herman Bredenbeck, President of another local manufacturer, **Advance Manufacturing Corp.** of Cleveland, has been named **Ohio's Family-Owned Business of the Year**. SBA's Jeffrey Butland Family-Owned Business of the Year Award honors a family-owned and operated business which has been passed on from one generation to another. Mr. Bredenbeck is the second generation owner of this 70-year old company. Goldberg notes that "like Wrayco, Advance Manufacturing has been able to grow and increase manufacturing jobs here in Ohio while still remaining competitive in our global marketplace." **Jennifer Moll**, President of another local manufacturer, **Miller-Holzwarth, Inc.** of Salem, Ohio, has been named **SBA's Region V Subcontractor of the Year**. This award honors a small business that has provided the government and industry with outstanding goods and services as a subcontractor. Miller-Holzwarth, a woman-owned small business, manufactures a varied line of specialized products, including periscopes and ballistic windows, items of vital importance to our national defense.

Finally, SBA has also honored several small business advocates with SBA Champion Awards. Awardees are individuals that have used their professional expertise or personal talents to further the understanding and awareness of small business. These individuals have taken an active role in creating opportunities for small business. This year's Champion awardees are:

- **Ohio & Region V Financial Services Champion of the Year: Catherine Haworth**, Executive Director, Lake County Economic Development Center
- **Ohio & Region V Minority Small Business Champion of the Year: Joe Lopez**, President, New Era Builders, Inc.
- **Ohio Home-Based Business Champion of the Year: Jack Crews**, President/CEO, Kent Regional Business Alliance
- **Ohio Small Business Journalist of the Year: Mary Vanac**, Business Reporter, The Plain Dealer
- **Ohio Veteran Small Business Champion of the Year: Jane Stewart**, Government Specialist, Northeast Ohio Procurement Technical Assistance Center (NEO PTAC)
- **Ohio Women in Business Champion of the Year: Maria Coyne**, KeyBank Executive Vice President, Community Banking

"This year we are delighted to recognize these awardees significant contributions to the small business community of Northern Ohio", Mr. Goldberg added. "They exemplify small business at its best." The President of the United States designates one week each year as National Small Business Week in recognition of the small business community's contribution to the American economy. This celebration honors the estimated 25 million small businesses in America that employ more than half the country's private work force, create 60 to 80 percent of net new jobs annually, and generate a majority of American innovations. ♦



Above: SBA District Director Gil Goldberg with the Small Business Week winners, from left to right: Joe Lopez, Jack Crews, Cathy Haworth, Gary Gibb, Marie Coyne, Mary Vanec, Jane Stewart, Herman Bredenbeck, Jennifer Moll, along with Steve Millard of ceremony host COSE.



District Director Goldberg with Bill Koeth, Dollar Bank Senior Vice President, and Jennifer Moll, President of Miller-Holzwarth, Inc.

Grace Laurio and Bob Fenn of NEO PTAC with colleague Jane Stewart (center), winner of the Ohio Veteran Small Business Champion of the Year Award.



Left: Jack Crews, President and CEO of the Kent Regional Business Alliance, accepts the Ohio Home-Based Business Champion of the Year Award.

Below: Joe Lopez, Catherine Haworth and Maria Coyne after the ceremony. Gary Gibb and Jane Stewart are in the background.



Correct Loan Data Needed from Lending Partners

The SBA places a priority on helping exporters, women, minority and veteran-owned businesses. In order to gauge the success of providing these groups with increased access to capital, the SBA relies on the information provided by our lending partners. It is vital that the information in SBA databases be complete and accurate.

SBA has streamlined the loan approval process and automated the data entry process. "E-Tran" allows the data provided by participant lenders to be transferred directly into SBA's database - avoiding transcription errors. This straight-line approach further heightens the need for this information to be accurately submitted. Many businesses that receive SBA financing are in the above referenced priority markets, yet loan demographic data submitted to SBA does not reflect the reality. It is an inexact and time-consuming process for SBA to determine the demographic status of our customers on a post-approval basis.

Regrettably, it has become a necessity as more coding inaccuracies become apparent. As an example, there have been instances where a business has been so active in the export markets that they have received the state's "E-award" (for excellence in exporting) and the SBA 7(a) loan data submitted to SBA by the participant lender indicates "no" for export activity.

Exporting is defined as any sales of goods or services to a foreign buyer. Sales to Canada are export sales. Companies with retail websites that ship product to export markets would also be exporting. Keep in mind that 70% of all exporters have fewer than 20 employees. It is essential that the export status of all of our loan customers be determined and that information properly transmitted to SBA.

Thank you for your help in keeping SBA's database as complete and accurate as possible. If you have any questions, please contact your assigned Economic Development Officer or Patrick Hayes on 216-522-4731. ♦

News for Our Lending Partners

- **SOP 50 10 Modernization Project**
- **New Streamlined 504 Loan and Debenture Closing Procedures**



SBA's Office of Capital Access (OCA) and Office of General Counsel (OGC) are very pleased to announce the launch of an initiative to modernize the Agency's main lending Standard Operating Procedure: SOP 50 10. OCA and OGC have received feedback from internal and external sources that SOP 50 10 is difficult to use (at a current size of some 800 pages) and needs to better reflect SBA's current products and practices.

SBA expects to deliver a modernized SOP 50 10 that is concise and more easily used by lenders and SBA personnel. Another result of the project will be to have SOP-related material (e.g., FAQs on specific topics in the SOP) available and accessible for use on SBA's website.

As part of phase 1 of the SOP 50 10 Modernization Project, we are seeking specific, written feedback from a range of users – including lenders and SBA personnel – on how we should modernize and improve the SOP 50 10. Feedback should also include suggestions regarding the document's structure, the types and amounts of information required for SOP 50 10, information that could be included in other materials (e.g., FAQs), and use of technology. Comment letters should be sent to the following mailbox: SOP50-10modernization@sba.gov. This is an important and exciting project and we look forward to working with many of you to make a new lending SOP a reality in 2007. ♦

The Office of General Counsel (OGC) is instituting new streamlined procedures for closing 504 loans and debentures effective August 1, 2007. OGC, working with a team of SBA field office attorneys, reviewed the entire closing process, as well as various closing checklists and documents used in SBA offices around the country, and then drafted new forms and modified existing forms and procedures to streamline and standardize the closing process nationwide. The new procedures will:

- Increase consistency in debenture closing nationwide by creation of new standard closing forms, debenture closing policies and procedures, and SBA counsel review guidelines.
- Reduce to 12 the number of closing documents that Priority CDCs must submit for expedited closings.
- Reduce to 25 the number of closing documents that Non-Priority CDCs must submit for non-expedited closings, and standardize the closing submission.
- Reduce SBA overhead costs by transferring to CDCs responsibility for mailing to the Central Servicing Agent (CSA) closing packages approved by SBA Counsel for debenture sale; forwarding original collateral directly to the Centralized Loan Servicing Center; and handling and tracking all documents received post-closing.

This streamlining effort creates uniformity as to the documents required in a closing package for submission to SBA.

Please contact our Lender Relations Division at (216) 522-4180 if you would like more details on the new forms and procedures associated with this important initiative. ♦

Top Lenders of 7(a), 504 and Export Loans Honored by SBA at National Small Business Week

Four banks, two small business finance corporations, and a surety bond company received top SBA honors for their outstanding small business lending performance and commitment to assisting small business with their financing needs. The seven institutions are from California, Connecticut, Illinois, North Carolina, Massachusetts, Utah, and Wisconsin. They were honored by the U.S. Small Business Administration during a reception at the State Department as part of **Small Business Week 2007**.

The event, which ran from April 23-24, honored State Small Business Persons of the Year from all 50 states, the District of Columbia, Guam, and Puerto Rico. It recognized businesses recovering from natural disasters, people who have helped others recover from natural disasters, small business lenders, small business contractors and contracting officers, and advocates for small businesses. "One of the biggest challenges small businesses face in their pursuit of success is timely, affordable access to capital," said Administrator Preston.

Cleveland District Office Program Staff

Gilbert B. Goldberg, District Director
Richard A. Lukich, District Counsel

Lender Relations:
James F. Donato, Manager and PIO
Timothy J. Ensich, Lender Relations Specialist
Mark C. Hansel, Lender Relations Specialist
Thomas R. Sangrik, Lender Relations Specialist

Business & Economic Development
(Community Outreach):
James M. Duffy, ADD/BD
John R. Renner, Business Development Specialist
Sonya M. Wagasky, Business Development Specialist

"We are proud to honor these financial institutions for the outstanding support they have shown small businesses in their communities. It is only fitting that we present them with this award in recognition of their excellence as we look forward to our continued partnership working on behalf of small business."

The awards to lenders were presented by SBA Administrator Steven C. Preston. The *7(a) Loan Lender of the Year* was split into two sub-categories: *Large lender* for banks with an SBA loan portfolio of \$100 million plus, and *small lender* for a portfolio of less than \$100 million.

The *Large 7(a) Loan Lender of the Year Award* went to Associated Bank N.A. of Milwaukee, Wisconsin. The *Small 7(a) Loan Lender of the Year Award* winner was Webster Bank N.A. of Waterbury, Connecticut.

Also honored were two Certified Development Companies, or 504 Lenders. The *Large 504 Loan Lender of the Year* was CDC Small Business Finance Corporation of San Diego, California. The *Small 504 Loan Lender of the Year Award* went to Asheville-Buncombe Development Corporation of Weaverville, North Carolina. The *Surety Bond Lender of the Year Award* was presented to CNA Surety/Western Surety Company of Chicago, Illinois.

As exports are playing a vital role in the growth of the American economy, the SBA honored two export lenders this year with its *Export Lender of the Year Award*. The winners in this category are Zions First National Bank of Salt Lake City, Utah, and Sovereign Bank of Boston, Massachusetts. ♦

Did you know?

SBA Outreach and Financing meetings take place the third Thursday of each month at the SBA offices in Cleveland. The meetings run from 10:00 a.m.-12:00 noon. Reservations are required. Call 216-522-4180 to reserve your seat.

SBA Launches Free Online Course & Assessment

The U.S. Small Business Administration recently introduced a new online training resource for budding entrepreneurs to provide the fundamentals of starting a small business. The ***Small Business Primer Strategies for Success*** online training is a free course designed to assist individuals who are thinking about starting a small business or who are in the early stages of running a business.

The ***Small Business Primer*** is a self-paced assessment tool that focuses on three key areas to help small business owners (1) determine their business readiness, (2) provide an overview of basic small business principles, and (3) introduce them to key SBA resources for small business counseling and training.

The ***Small Business Primer*** is available through the SBA's Small Business Training Network, a virtual campus of business courses, trainings, education, resources, learning tools and information assistance at www.sba.gov/training. It is a unique training that features an interactive assessment tool to help evaluate readiness for starting a business. It also walks participants through the key steps of business start-up.

The business topics reviewed include business planning, legal aspects, financing and marketing. In addition, the course provides links to more than 40 targeted resources and small business tools, such as a business plan template, and an automated balance sheet guide. The course also offers direct access to online counseling through SCORE, as well as to other SBA resources partners including the Small Business Development Centers, Women's Business Centers, and SBA district offices.

Participants that complete the online training have an opportunity to receive a Course Completion Certificate from the SBA. To evaluate your business readiness, go to www.sba.gov and click on "New Free Online Course."

The SBA's Small Business Training Network offers a range of online business training and counseling tools to assist entrepreneurs with business start-up, from developing marketing strategies to effective employee management. It also provides valuable information for existing small business owners. The training network is an easy-to-use tool that provides 24-hour access to business courses via the internet. ♦